

Message Text

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70

ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 CIAE-00 COME-00 DODE-00 FMC-04

INR-10 NSAE-00 RSC-01 CG-00 COA-02 DLOS-06 L-03 SAJ-01

OMB-01 SS-20 NSC-10 DRC-01 PM-07 /103 W

----- 118904

R 292229Z NOV 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 2197

INFO AMCONSUL ST JOHNS

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E.O. 11652: N/A

TAGS: MILI, CA

SUBJECT: ARGENTIA WHARF.

1. EMBASSY RECEIVED LETTER SIGNED FOR UNDERSECRETARY OF STATE FOR EXTERNAL AFFAIRS BY ROBERT CAMERON, EXTAFF DIRECTOR GENERAL FOR DEFENSE AND ARMS CONTROL AFFAIRS, REQUESTING THAT US AUTHORITIES GRANT INTERIM LICENSES TO PYRAMID MOBILE HOMES AND CANADIAN PACIFIC (CP) SHIPS FOR THE USE OF SURPLUS FACILITIES AND SPACE AT ARGENTIA NAVAL STATION. LETTER POINTS OUT THAT GOC IS ACTIVELY WORKING ON A FORMAL RESPONSE TO THE US REQUEST THAT CANADA ASSUME MANAGEMENT AUTHORITY OVER CERTAIN LANDS AT ARGENTIA. CAMERON POINTS OUT, HOWEVER, THAT CP SHIPS IS INCURRING FINANCIAL LOSSES AS A RESULT OF ITS INABILITY TO USE WHARF SPACE AT ARGENTIA AND THAT PYRAMID MOBILE HOMES MAY BE OBLIGED TO ABANDON ITS PLANS TO LOCATE AT ARGENTIA IF IT IS UNABLE TO OBTAIN A POSITIVE DECISION WITHIN TWO WEEKS. (FULL TEXT OF CAMERON LETTER REPEATED BELOW.)

2. COMMENT: EXTAFF NORTH AMERICAN DEFENCE CHIEF LEGG INFORMS US THAT GOC WILL BE RESPONDING ON CERTAIN PORTIONS OF US ARGENTIA MANAGEMENT PROPOSAL WITHIN TWO WEEKS. GOC WILL LIKELY ADDRESS ITSELF SPECIFICALLY TO US DRAFT ARTICLE WHICH WOULD PROHIBIT COMMUNIST BLOC SHIPS FROM ENTERING ARGENTIA HARBOR.

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LEGG SAID GOC TRYING TO FIND ALTERNATIVE WORDING TO THIS

ARTICLE IN VIEW OF NUMBER OF BILATERAL AGREEMENTS GOC HAS WITH COMMUNIST BLOC COUNTRIES ALLOWING VISITS TO CANADIAN PORTS.

3. LEGG SAID ADDITIONAL COMMENTS ON US DRAFT WILL PROBABLY NOT BE READY UNTIL SOME TIME JUST BEFORE CHRISTMAS. HE CHARACTERIZED THESE ADDITIONAL COMMENTS AS "NON-SUBSTANTIVE."

4. LEGG SAID THAT GOC WILL BE WORKING SIMULTANEOUSLY TO TRY AND REACH AGREEMENT WITH GOVERNMENT OF NEWFOUNDLAND ON JURISDICTION OVER ARGENTIA MANAGEMENT AREA. GOC DEPARTMENT OF JUSTICE FEELS STRONGLY THAT FEDERAL GOVERNMENT SHOULD BE MANAGING AUTHORITY AT ARGENTIA. GOVERNMENT OF NEWFOUNDLAND HOWEVER FEELS STRONGLY THAT IT SHOULD MANAGE ARGENTIA AREA. BOTH SIDES FEEL LONG RANGE REVERSIONARY RIGHTS ARE AT STAKE. LEGG CHARACTERIZED THIS AS PRINCIPAL STICKING POINT HOLDING UP ACCOMPLISHMENT OF AGREEMENT. HE SAID HE DID NOT EXPECT GOC WOULD HAVE ITS HOUSE IN ORDER BEFORE TWO MONTHS AT THE EARLIEST AND VERY PROBABLY NOT UNTIL THREE OR FOUR MONTHS FROM NOW.

5. EMBOFF ASKED LEGG IF APPLICATIONS OF PYRAMID MOBILE HOMES AND CP RAIL WERE PROVIDING GOC LEVERAGE WITH WHICH TO DEAL WITH GOVERNMENT OF NEWFOUNDLAND. LEGG CONCEDED THAT THIS WAS THE CASE AND EXPRESSED OPINION THAT LEVERAGE WILL BE DIMINISHED SHOULD US APPROVE GOC REQUEST FOR INTERIM LICENSE ARRANGEMENTS FOR THESE TWO FIRMS. HE NOTED, HOWEVER, THAT PROSPECTS OF LOSING THESE TWO FIRMS WERE VERY REAL AND HENCE LEVERAGE OF ITS LACK NOT A SIGNIFICANT FACTOR IN GOC THINKING. (AMCONSUL ST. JOHNS CONFIRMS THAT CONCERNS THAT PYRAMID MOBILE HOMES AND CP RAIL MIGHT ABANDON ARGENTIA IF PLANS ARE REAL.)

6. IN LIGHT OF ABOVE, WE BELIEVE US SHOULD APPROVE INTERIM LICENSE ARRANGEMENT AS REQUESTED IN EXTAFF LETTER. WHILE APPROVAL WILL NO DOUBT EASE SOME PRESSURES ON GOC TO REACH AGREEMENT WITH US ON OVERALL MANAGEMENT AREA CONCEPT, PROSPECTS APPEAR TO BE VERY REAL THAT USG WOULD BE SADDLED WITH BLAME IF CP RAIL AND PYRAMID MOBILE HOMES FORCED TO ABANDON PLANS. END COMMENT.
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OMB-01 SS-20 NSC-10 DRC-01 PM-07 /103 W

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TO SECSTATE WASHDC 2198

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7. FULL TEXT OF EXTAFF LETTER FOLLOWS:

BEGIN TEXT

OTTAWA, K1A OG2

NOVEMBER 27, 1973

DEAR MR. JOHNSON,

I REFER TO MR. L. CRAIG JOHNSTONE'S LETTER OF OCTOBER 23, 1973 TO MR. JON C. LEGG OF THIS DEPARTMENT IN WHICH A PROPOSAL WAS MADE TO OUR AUTHORITIES TO TAKE UNDER CANADIAN MANAGEMENT CERTAIN UNUSED LAND AND FACILITIES OF THE UNITED STATES NAVAL STATION AT ARGENTIA, NEWFOUNDLAND. THE PROPOSAL IS BEING ACTIVELY STUDIED BY ALL THE DEPARTMENTS CONCERNED AND I ANTICIPATE THAT A FORMAL RESPONSE WILL BE FORMULATED IN THE FAIRLY NEAR FUTURE. YOU WILL UNDERSTAND HOWEVER THAT A CERTAIN AMOUNT OF TIME WILL BE NECESSARY FOR US TO EXAMINE THE NUMEROUS ASPECTS, INCLUDING CONSTITUTIONAL ONES, WHICH THE PROPOSAL RAISES.

WHILE THE PROPOSAL IS BEING STUDIED I WOULD BE GRATEFUL IF YOUR AUTHORITIES WOULD GIVE FAVOURABLE CONSIDERATION TO THE CASE OF THE PYRAMID MOBILE HOMES COMPANY WHOSE APPLICATION

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FOR CERTAIN FACILITIES WITHIN THE PROPOSED AREA WAS MADE SOME EIGHT MONTHS AGO. THE GOVERNMENT OF NEWFOUNDLAND INFORMS US

THAT THIS COMPANY MAY BE OBLIGED TO ESTABLISH ITSELF OUTSIDE THAT PROVINCE UNLESS IT RECEIVED A POSITIVE DECISION CONCERNING ARGENTIA WITHIN THE NEXT TWO WEEKS. IN THE CIRCUMSTANCES, AFTER CONSULTATIONS WITH THE OTHER DEPARTMENTS CONCERNED, WE WOULD BE GRATEFUL IF YOUR AUTHORITIES COULD CONSIDER AS A MATTER OF URGENCY THE GRANTING OF AN INTERIM LICENCE TO THE COMPANY, PENDING THE CONCLUSION OF AN AGREEMENT ON THE COMPREHENSIVE PROPOSAL SUBMITTED BY YOUR EMBASSY.

I WOULD ALSO REQUEST THAT THE CASE OF CANADIAN PACIFIC SHIPS BE GRANTED SIMILAR CONSIDERATION. THIS COMPANY INFORMALLY REQUESTED CERTAIN LANDS AND FACILITIES FROM YOUR AUTHORITIES A NUMBER OF MONTHS AGO AND HAS MADE SUBSTANTIAL INVESTMENTS IN ANTICIPATION OF A FAVOURABLE REPLY. WE ARE INFORMED THAT THE COMPANY IS PRESENTLY UNDERGOING DAILY FINANCIAL LOSSES BECAUSE IT CANNOT BEGIN OPERATIONS. THE LAND INVOLVED IN THIS APPLICATION IS OUTSIDE THE AREA PROPOSED TO BE GIVEN OVER TO A CANADIAN MANAGEMENT AUTHORITY. IF A RAPID DECISION CANNOT BE REACHED BY YOUR AUTHORITIES CONCERNING THE AREA REQUESTED BY C.P. SHIPS, WE WOULD BE GRATEFUL IF YOUR AUTHORITIES WOULD PERMIT THE COMPANY TO USE, ON AN INTERIM BASIS, THE WHARF FORMERLY CONTROLLED BY BERRY BROS. LTD. AND LOCATED WITHIN THE PROPOSED AREA FOR CANADIAN MANAGEMENT.

IN MAKING THESE REQUESTS I FULLY APPRECIATE THE DESIRE OF YOUR AUTHORITIES TO HOLD ALL OUTSTANDING APPLICATIONS FOR LAND AND FACILITIES IN ABEYANCE UNTIL A COMPREHENSIVE AGREEMENT IS CONCLUDED BETWEEN OUR TWO GOVERNMENTS. HOWEVER, IN VIEW OF THE TIME REQUIRED TO WORK OUT A MUTUALLY ACCEPTABLE AGREEMENT AND THE CONSEQUENT ECONOMIC LOSS WHICH WOULD RESULT TO NEWFOUNDLAND SHOULD THESE COMPANIES BE FORCED TO LOCATE ELSEWHERE, I WOULD VERY MUCH APPRECIATE IT IF YOUR AUTHORITIES COULD GIVE RAPID AND SYMPATHETIC CONSIDERATION TO THE PROPOSALS CONTAINED IN THIS LETTER.

YOUR SINCERELY,

CAMERON
UNDER-SECRETARY OF STATE
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FOR EXTERNAL AFFAIRS

END TEXT
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 29 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973OTTAWA02845
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973115/aaaaadmc.tel
Line Count: 218
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 12 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12-Sep-2001 by smithrj>; APPROVED <14-Nov-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ARGENTIA WHARF.
TAGS: MILI, CA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005